



July 18, 1979

The Honorable Floyd R. Correa  
Governor, Pueblo of Laguna  
P.O. Box 194  
Laguna, New Mexico 87026

Dear Governor Correa:

We appreciate the action of the Council on June 27, 1979, granting us permission to test the concept of hydraulic bore hole mining within our lease area. We are hopeful that this action will result in eventual mining activities beneficial to both the Pueblo and Anaconda.

As was presented to the Council, Anaconda plans to conduct two separate tests as follows:

1. The tests will be conducted by drilling a 17-3/4 inch hole through the ore zones and cased with 16 inch steel casing. Equipment belonging to the United States Bureau of Mines and other rented equipment will be used to mine the ore in the manner as described in the attached copy of Technology News dated October, 1978. The ore that is recovered will be accumulated in slurry form in lined ponds about 100 square feet in size. After dewatering, the ore will be placed in stockpile and shipped with other mined ore to the mill for processing.
2. The first test site, as shown on the attached map, is located east of Paguete about 1800 feet east of the highway. The ground there has a gentle slope to the northwest. It is essentially undisturbed. We have drilled exploration holes there and outlined a small area of mineralized sandstone immediately below the Dakota formation. A cavity will be mined about 50 feet in diameter from about 150 feet to 156 feet.
3. The second test site is located approximately 3000 feet west of Anaconda's employee housing as shown on the attached map. Here, too, the ore is located about 150 feet below the surface and a cavity of approximately 50 feet in diameter and four feet high is planned to be excavated.
4. After the test is completed at Site No. 1, we will restore the ground to its approximate original contour and seed it with appropriate vegetation. Site

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No. 2 is currently scheduled to be stripped for open pit mining of nearby ore and, therefore, would be included in the total mine reclamation. In the event Site No. 2 is not affected by our mining operations, we will restore the surface to its approximate original contour and seed it with appropriate vegetation.

5. Anaconda will leave both of the test cavities open for a period of time, perhaps up to two years, to monitor roof stability of the cavities.
6. The water that will be utilized for the test will be accumulated from our employee housing water well over a period of time and will be recycled during the tests. The water will be sampled and analyzed during the tests and, upon completion of the tests, will be placed into our mine industrial water storage.
7. Anaconda will keep the Pueblo advised as to the progress and results of the tests. The information gathered from the tests will also be made public inasmuch as it is utilizing equipment developed by the United States Bureau of Mines.

The United States Bureau of Mines' equipment is expected to become available to us in September of this year. We estimate the tests will take approximately two months to complete after the equipment is on site. Again, we appreciate your support and approval. Please do not hesitate to call us if you have any questions.

Very truly yours



R.D. LYNN  
General Manager

RDL/jms  
Enclosures  
xc: U.S. Bureau of Mines  
U.S. Geological Survey

**RECEIVED**

**JUL 23 1979**

**PUEBLO OF LAGUNA  
GOVERNOR'S OFFICE**

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